

Tax Facts

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Upcoming due date for unclaimed property

The Uniform Unclaimed Property Act protects unclaimed property until it is returned to its rightful owner. The Department of Revenue provides a central location where people can search for their unclaimed funds. Most property is now reported after three years.

Common types of unclaimed property reportable by businesses and when they must be reported include:

After one year

Uncashed payroll checks
Utility deposits

After three years

Inactive bank accounts
Uncashed general checks
Customer credits
Insurance proceeds
Stocks, bonds, & mutual funds

After five years

Safe deposit box contents

Businesses and other organizations that may be holders of unclaimed property must review their records yearly to determine if they hold any property that has been unclaimed for the required period of time. Businesses complete a report and

pay or turn over any qualifying property to the Department. Reports are due by November 1, 2005. Unclaimed property that is reported late is subject to interest from the due date until paid.

The Department conducts audits to verify businesses are complying with the Uniform Unclaimed Property Act. To learn more about reporting requirements, you can obtain reporting guides on our web site, request an onsite consultation visit, or attend one of our holder education workshops. You may also sign up for our holder e-mail service for reporting reminders and to receive updates on any law or reporting procedures changes.

We encourage electronic reporting. You can submit unclaimed property reports in the NAUPA format. Visit our web site at <http://ucp.dor.wa.gov> to download free reporting software, reporting instructions and forms. You may also e-mail us directly at ucp@dor.wa.gov, or call (360) 705-6706.

Successorship Notice form now available

Washington law provides that successors may be held liable for unpaid taxes of the business that they succeeded. You may be a successor if:

- You acquire more than 50 percent of the fair market value of tangible (excluding real property) or intangible assets of the predecessor business in bulk and not in the ordinary course of business;
- You are a surviving corporation of a statutory merger; or
- You are obligated to fulfill terms of a contract as a surety or guarantor of a defaulting contractor (in which case you are a successor only to the tax liability arising out of that contract).

RCW 83.32.140 states that a successor cannot be held liable for any tax due from the predecessor business if the successor provides written notice to the Department of the acquisition and the Department does not issue an assessment within six months of when they receive the notice and mail a copy of notice of tax due to the successor.

We recently developed a Successorship Notice Form to assist successor businesses in providing the necessary data. To obtain a copy, select the "Forms" tab, click on "Alphabetical" under the Forms menu in the upper left, then click on "S".

For more information on successorship, see WAC 458-20-216.

Use Tax on Artwork and Collectibles

Do you know that you may owe use tax on artwork, collectibles, and other items that you purchase or acquire without paying sales tax?

Washington's use tax is a tax on the use of goods and certain services purchased or acquired under circumstances where retail sales tax has not been paid. Items used in Washington, including artwork, antiques, collectibles, jewelry, and other goods, are subject to either the sales tax or use tax, but not both. Since 1935, the use tax has functioned as a compensating tax when sales tax has not been paid.

A credit is available for taxes due and paid to other states, local governments, or countries. There are also some limited exemptions.

For more information on use tax, select the "Taxes" tab from our home page and click on "Use" under the Taxes menu on the left. You may also call our Telephone Information Center at 1-800-647-7706.

Special Notices

The following Special Notices were recently issued.

These notices discuss current issues as well as changes resulting from new legislation. They are available online by visiting <http://dor.wa.gov> and clicking on "Special Notices" under Quick Clicks. You may also call 1-800-647-7706 to have a copy sent to you.

Buyers or Processors of Cedar or Specialty Wood Products
– Registration Requirements – issued June 10, 2005.

Clarification for Certain Beef Processors Impacted by the ban on American Beef Products
– issued June 8, 2005.

Commute Trip Reduction Credit Program
– 2005 Updates – issued June 20, 2005.

Direct Mail – Tax Deduction and Exemptions
– issued June 15, 2005.

Extended Warranties now Subject to Sales Tax
– issued June 17, 2005.

Fish Tax Extended to Sea Urchins and Sea Cucumbers
– issued June 8, 2005.

Fruit and Vegetable Processors Tax Exemption
– issued June 13, 2005.

Gambling Business and Occupation Tax – issued June 10, 2005.

High Technology Business and Occupation Tax Credit Changes – issued June 21, 2005.

Litter Tax Exemptions for Prepared Food and Beverages
– issued June 16, 2005.

Nonprofit Boarding Homes – issued June 7, 2005.

Nursing Facility Quality Maintenance Fee Rate Reduced
– issued June 1, 2005.

Parking and Business Improvement Areas – issued June 7, 2005.

Processing Perishable Meat Products – issued June 7, 2005.

Renewable Energy Industry Tax Incentives
– issued June 21, 2005.

Self Service Laundry Facilities – issued June 8, 2005.

Tax Incentives for the Production of Solar, Methane, and Wind Power – issued June 16, 2005.

Tax Incentives to Reduce Agricultural Burning to Change
– issued June 29, 2005.

Tire Fee Reimposed on New Replacement Vehicle Tires
– issued June 15, 2005.

Tax Workshops

Looking for a tax workshop in your area?

Check out our web site! We offer workshops free of charge throughout the state. To view the updated schedule or for more information, visit our web site at <http://dor.wa.gov>, click on Doing Business, then select "Workshops" from the menu on the left side.

Once you find the workshop that's right for you, register online or call the number listed.

Business Outreach

These workshops provide a basic overview of taxes that apply to various business activities in Washington. Some of the upcoming workshop locations and dates follow:

October

10/19/05 Bremerton 9 a.m. - Noon
Sheridan Park Community Center, 680 Lebo Blvd, Rooms B and C, Bremerton – Register at www.dor.wa.gov or please call 1-800-647-7706

10/19/05 Spokane 8:30 - 11:30 a.m.; 1:30 - 4:30 p.m.
Department of Revenue, 8th flr, Northtown Office Bldg, 4407 N Division, Spokane – Register at www.dor.wa.gov or please call (509) 482-3800

10/19/05 Vancouver 9 a.m. - Noon; 1 p.m. - 4 p.m.
DOR Training Room, 8008 NE Fourth Plain Blvd, Ste 340, Vancouver – Register at www.dor.wa.gov or please call (360) 260-6178

10/20/05 Bothell 1 p.m. - 4 p.m.
Bellevue City Hall, Council Chambers, 11511 Main Street, Bellevue – Register at www.dor.wa.gov or please call (425) 452-6851

10/20/05 Lacey/Olympia 9 a.m. - Noon
Dept. of Revenue, 4565 7th Ave SE, Suite 200, Lacey – Register at www.dor.wa.gov or please call (360) 407-5003

November

11/8/05 Bellingham 1 p.m. - 4 p.m.
Worksource Office, 101 Prospect Street, Ste 10, Conference Room, Bellingham – Register at www.dor.wa.gov or please call (360) 738-6111

11/8/05 Port Angeles 9 a.m. - Noon
Port Angeles City Hall Council Chambers, 321 East 5th St, Port Angeles – Register at www.dor.wa.gov or please call (360) 457-2564

11/9/05 Tacoma 1 p.m. - 4 p.m.
Lakewood Library, 6300 Wildaire Rd. SE, Lakewood – Register at www.dor.wa.gov or please call (253) 593-2722

11/16/05 Vancouver 9 a.m. - Noon
DOR Training Room, 8008 NE Fourth Plain Blvd, Ste 340, Vancouver – Register at www.dor.wa.gov or please call (360) 260-6178

11/16/05 Yakima 8:30 - 11 AM
Department of Revenue, 1714 S. 16th Ave, Yakima – Register at www.dor.wa.gov or please call (509) 575-2784

11/17/05 Lacey/Olympia 9 a.m. - Noon
Dept. of Revenue, 4565 7th Ave SE, Suite 200, Lacey – Register at www.dor.wa.gov or please call (360) 407-5003

Construction workshop

This workshop provides tax information specific to the construction industry, including: custom and speculative construction, government contracting, and public road construction.

10/13/05 Vancouver 1:30 p.m. - 3:30 p.m.
Clark College, Gaiser Hall/Central Conference Room, 1800 McLoughlin Blvd., Vancouver. For directions to Clark College, see www.clark.edu.

December

12/7/05 Seattle 1 p.m. - 4 p.m.
Dept. of Revenue, 2101 4th Ave, Suite 1400 (cross street Lenora), Seattle – Register at www.dor.wa.gov or please call (206) 956-3002

12/7/05 Yakima 8:30 - 11 AM
Department of Revenue, 1714 S. 16th Ave, Yakima – Register at www.dor.wa.gov or please call (509) 575-2784

12/14/05 Tacoma 1 p.m. - 4 p.m.
Lakewood Library, 6300 Wildaire Rd. SE, Lakewood – Register at www.dor.wa.gov or please call (253) 593-2722

12/20/05 Wenatchee 1:30 - 4:30 p.m.
Douglas County Fire District, 377 Eastmont Ave, East Wenatchee – Register at www.dor.wa.gov or please call (509) 663-9741

Free workshops throughout the state.
Visit our web site for more information dor.wa.gov.

On the Web

Online videos are here!

You now have an exciting set of tools to help you get to know our growing suite of Online Services. We recently introduced a new online tutorial for Forest Tax reporting along with videos explaining and promoting our three leading Online Services: E-file, BillPay, and Secure Messaging.

This initial package of videos uses cutting edge web technology to make the Department's online services more accessible and less intimidating to our customers. Coming soon are more detailed tutorials, like our current one for Forest Tax, as well as online workshops.

To view the new videos, go to <http://dor.wa.gov>, click on the Online Services tab, and select a video you'd like to see. The Forest Tax video can be found by clicking on the Taxes tab and then Timber.

Rule Making

Following is a listing of the Department of Revenue's recent tax rule adoptions and repeals. For specific information on the rule changes, to obtain a copy of a newly adopted rule, or for more information regarding how these rules may affect you, contact us online at <http://dor.wa.gov> and click on Laws and Rules, then one of the bullets under "Rule Making." You may also call our Telephone Information Center at 1-800-647-7706.

Excise tax rule (WAC) adopted or amended

- 458-20-141 Duplicating activities and mailing bureaus. Emergency rule effective July 1, 2005.
- 458-20-144 Printing industry. Emergency rule effective July 1, 2005.
- 458-20-165 Laundry, dry cleaning, linen and uniform supply, and self-service and coin-operated laundry services. Emergency rule effective July 1, 2005.
- 458-20-166 Hotels, motels, boarding houses, rooming houses, resorts, summer camps, trailer camps, etc. Emergency rule effective July 1, 2005.
- 458-20-168 Hospitals, nursing homes, boarding homes, adult family homes, and similar healthcare facilities. Effective July 31, 2005.
- 458-20-177 Sales of motor vehicles, campers, and trailers to non resident consumers. Effective July 31, 2005.
- 458-20-17803 Use tax on promotional material. Emergency rule effective July 1, 2005.
- 458-20-210 Sales of tangible personal property for farming – Sales of agricultural products by farmers. Emergency rule effective July 1, 2005.
- 458-20-216 Successors, quitting business. Effective July 31, 2005.
- 458-20-250 Refuse – Solid waste collection – Core deposits and credits and battery core charges. Emergency rule effective July 1, 2005.
- 458-20-257 Warranties and maintenance agreements. Emergency rule effective July 1, 2005.
- 458-20-270 Telephone program excise tax rates. Effective July 1, 2005.
- 458-20-271 Tax incentives to reduce agricultural burning. Emergency rule effective July 1, 2005.
- 458-20-272 Tire fee. Emergency rule effective July 1, 2005.

Property tax rule (WACs) adopted or amended:

- 458-12-342 New construction – Assessment. Effective July 31, 2005.

Telephone Information Center 800-647-7706

Changes to interpretive/policy statements

The Department issues interpretive and policy statements, such as Excise Tax Advisories and Property Tax Advisories, to explain how tax applies to a specific set of facts or to address specific issues. These statements are issued or cancelled periodically based primarily on changes in the tax law. Statements that are cancelled can no longer be relied upon for tax application.

Excise tax advisories adopted:

- 2002.16.179 Low density light and power utility deduction. 7th revision effective June 21, 2005.
- 2003-65 Cancellation of excise tax advisories. Effective July 18, 2005.
- 2012.08.257 Distinguishing warranties and maintenance agreements. 1st revision effective June 24, 2005.
- 2025.08.229 Refunds of over collected retail sales tax. Effective June 30, 2005.
- 2026.04.08 Taxability of credit bureaus. Effective June 30, 2005.
- 2027.08.18801 Taxability of reagents and other diagnostic substances. Effective June 30, 2005.

Internal Audit Guidelines (IAGs) cancelled (all effective June 30, 2005):

- 02.01 Refund of retail sales tax
- 03.01 Taxability of credit bureau services
- 05.03 Taxability of reagents, controls, and calibrators

To inquire about the availability of this document in an alternate format for the visually impaired, please call (360) 705-6715.

Teletype (TTY) users please call 1-800-451-7985.